



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

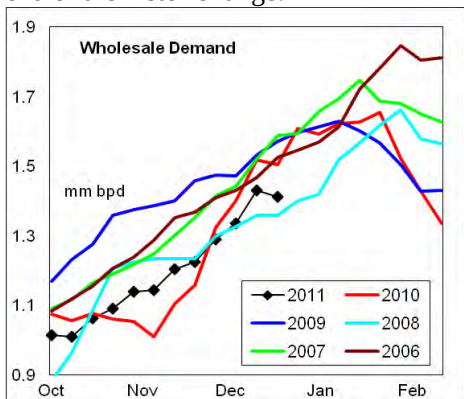
A Fundamental Petroleum Trends Weekly Report

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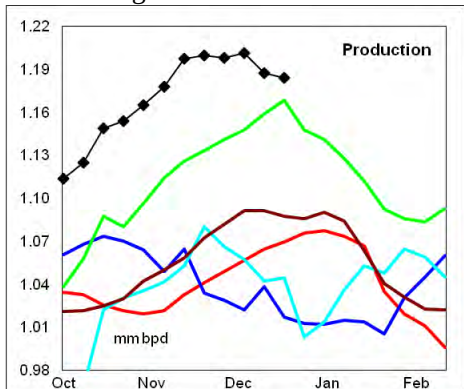
Summary¹:



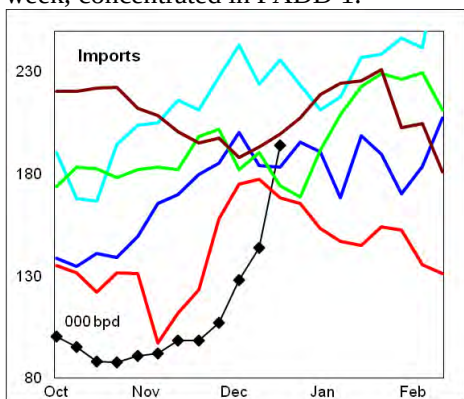
Wholesale demand declined -168,000 bpd on the week, driven by unusually warm temperatures in key heating markets. The weekly level was at the low end of the historic range.



Production decreased -3,000 bpd last week, with the level still above the historic range.



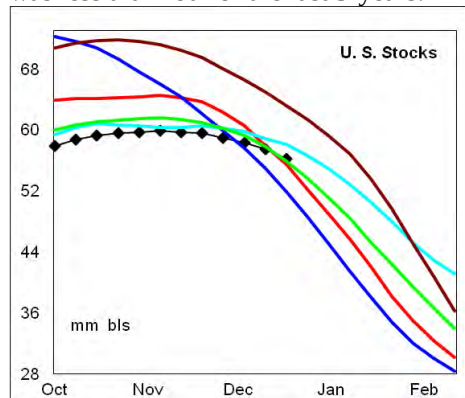
Imports increased +62,000 bpd on the week, concentrated in PADD 1.



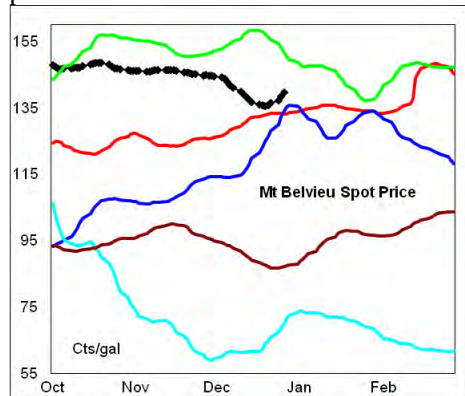
Combined production and imports during the latest 4-wk period were +83,000 bpd above a year ago.

Production was +141,000 bpd above last year (+13.3%), while imports were -58,000 bpd lower. The latest 4-wk average demand was -140,000 bpd below last year; driven by extremely low heating degree days in heating regions.

Stocks decreased -0.7 million barrels last week. The 4-wk stock change was a draw of -3.3 million barrels, a level that was less than four of the last 5-years.



Price and Spreads Mt Belvieu spot prices increased +5 cpg for the week ending 28Dec11 while Conway decreased -2 cpg during the same week. The Conway price level was a 9-month low.



The Conway – Mt Belvieu price spread fell sharply last week, in favor of Mt Belvieu. The spread ended the week at a -25 cpg discount, a new record discount.

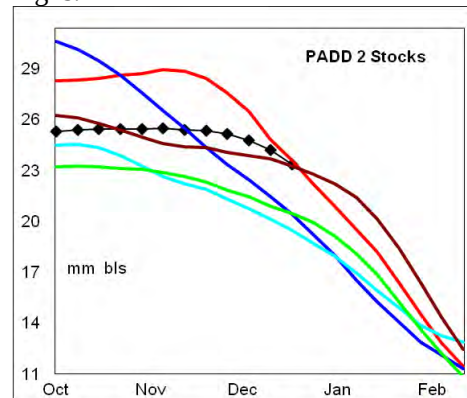
The propane to natural gas price spread trended higher last week, to a new record high level on very low gas prices.

The propane / crude oil price spread trended higher late in the week, in favor of propane. The spread ended the week at a level below the historic range.

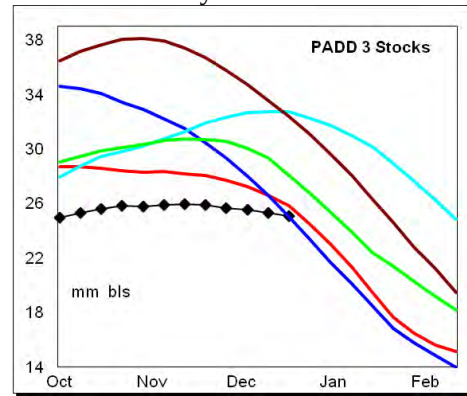
PADD 1 stocks decreased -0.3 million barrels last week. Stocks remain at a

level well above the 5-year range. Supply for the latest 4-wk period was -31,000 bpd below last year.

PADD 2 stocks decreased -0.7 million barrels on the week. Supply increased +4,000 bpd last week on higher imports. The latest 4-wk average supply was +25,000 bpd above a year ago, on higher production. Stock levels match 5-year highs.



PADD 3 stocks increased +0.1 million barrels on the week, with the 4-wk rate of stock draw less than four of the last 5-years. Stock levels ended the week -3.4% below last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week. The stock level was above the last 2-years.

Emerging Trends Unusually warm weather continues to limit wholesale demand. Temperatures are forecast to remain well above normal through mid January. Combined with stock levels above the last 2-years, expect continued price weakness in Midwest spot markets.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

December 29, 2011

Fundamental Trends for the Week Ending:

Friday, December 23, 2011

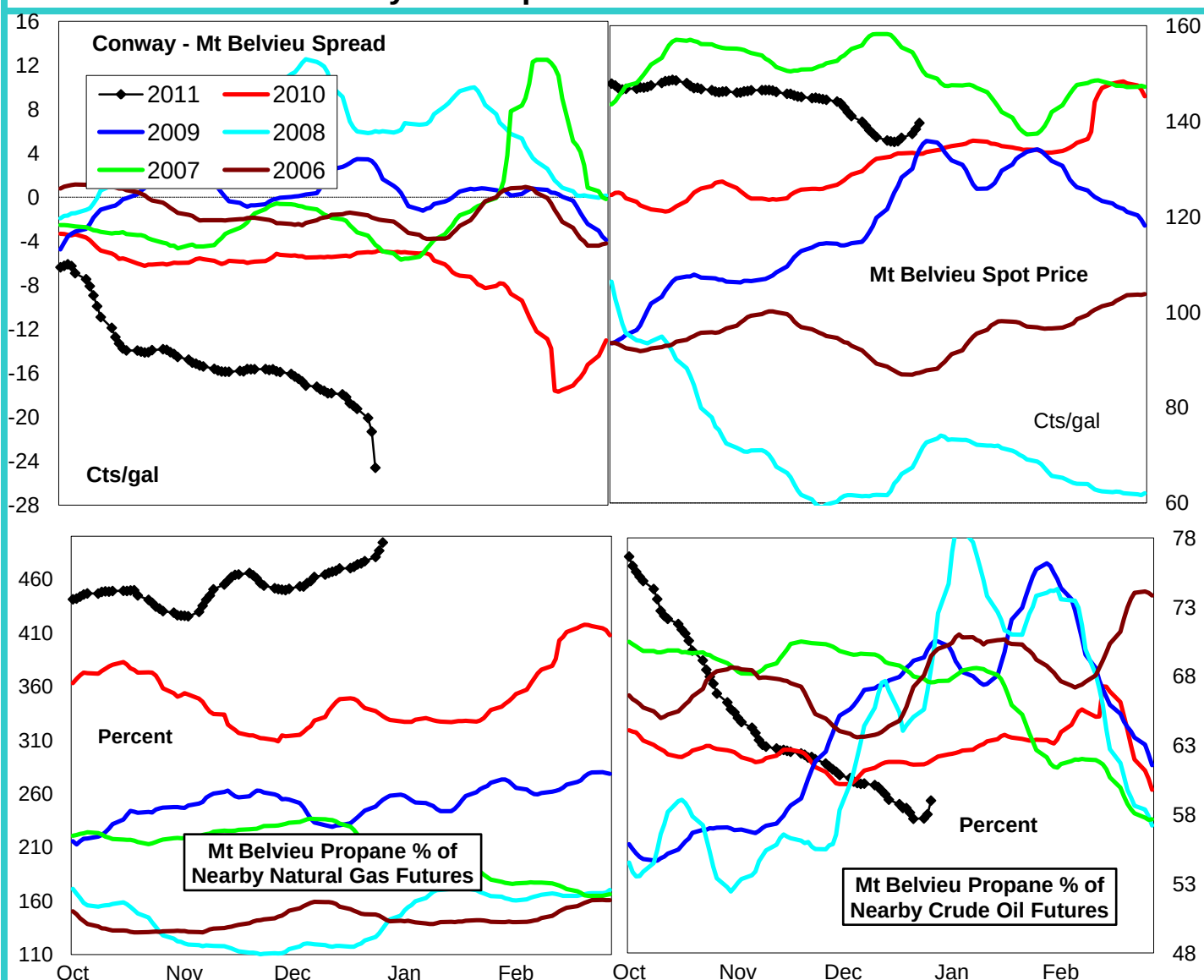
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	56,178	5,678	23,330	25,064	2,106	-709	-308	-748	117	230
Propylene Stocks	5,275					185				
Production	1,184	64	255	754	111	-3	-2	0	-3	2
Imports	194	90	85	0	19	62	58	4	0	0
Whsle Demand	1,412					-168				

Price Trends for the Week Ending:

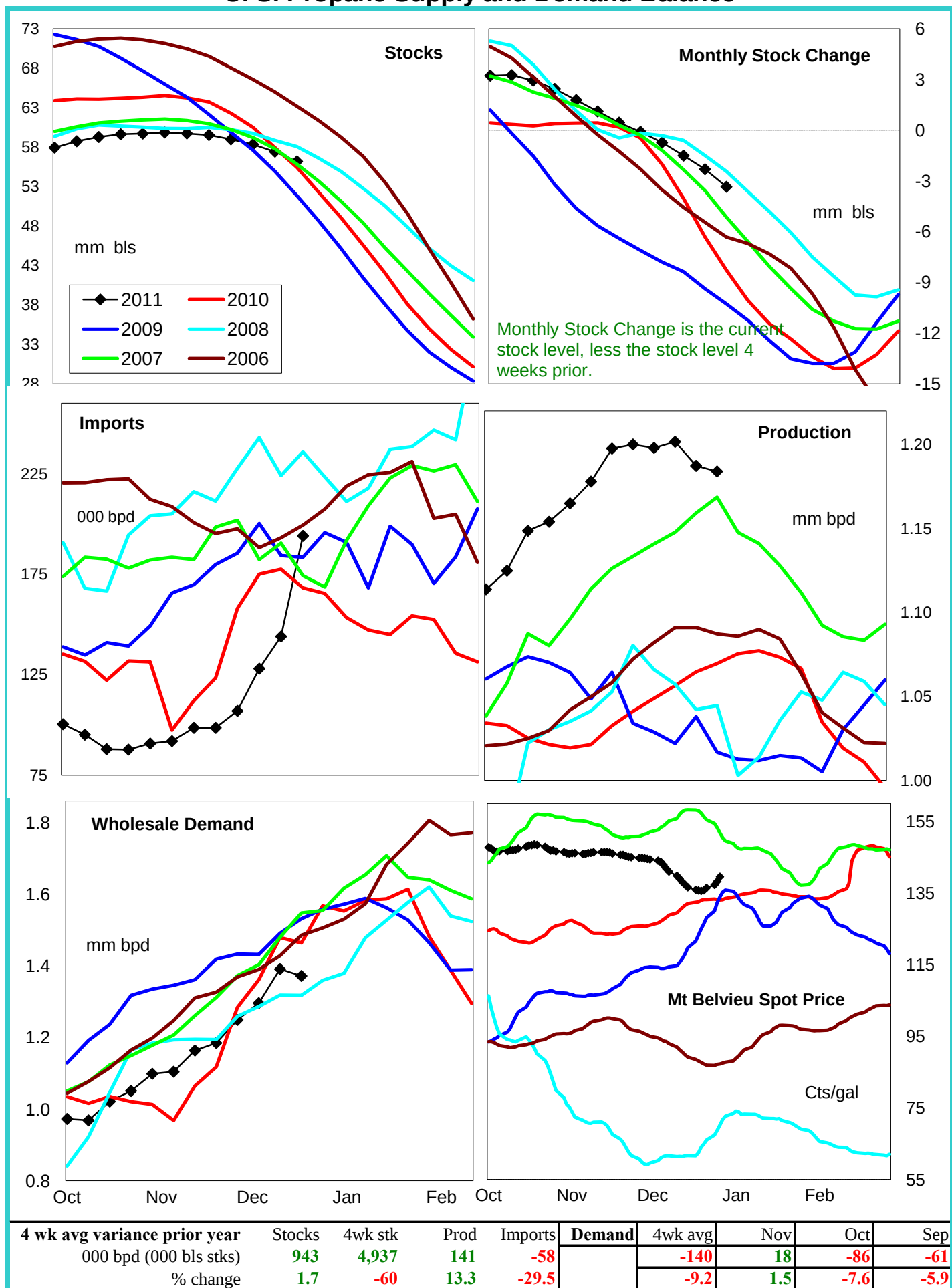
Wednesday, December 28, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	12/28/11	12/21/11	11/30/11	12/30/10	12/21/11	11/30/11	12/30/10	12/21/11	11/30/11	12/30/10
Mont Belvieu Spot	137.3	133.8	145.2	133.2	3.53	-11.40	11.95	2.6	-7.9	9.0
Conway Spot	117.3	116.3	129.4	128.5	0.94	-13.04	0.84	0.8	-10.1	0.7

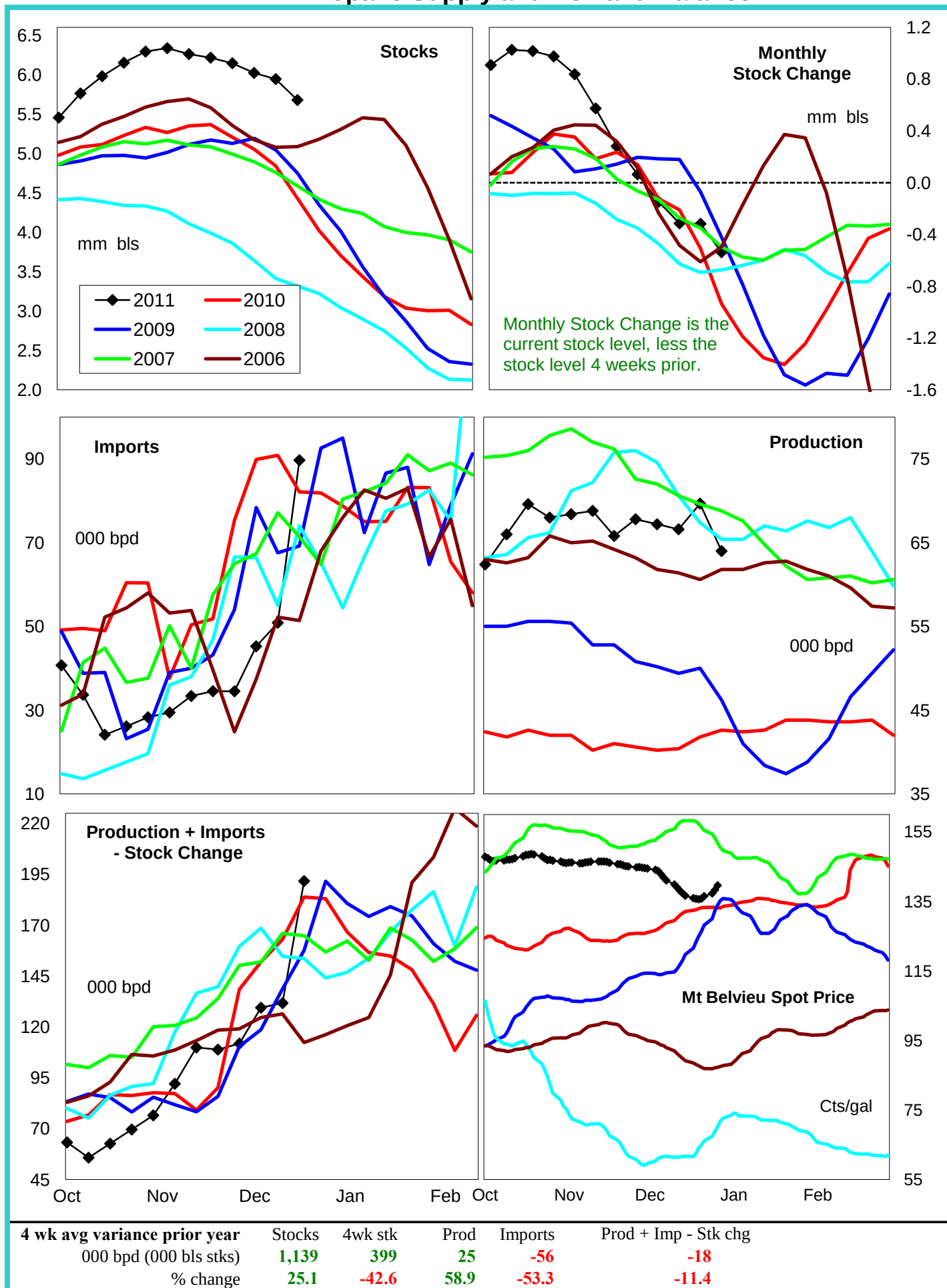
Key Price Spreads and Differentials



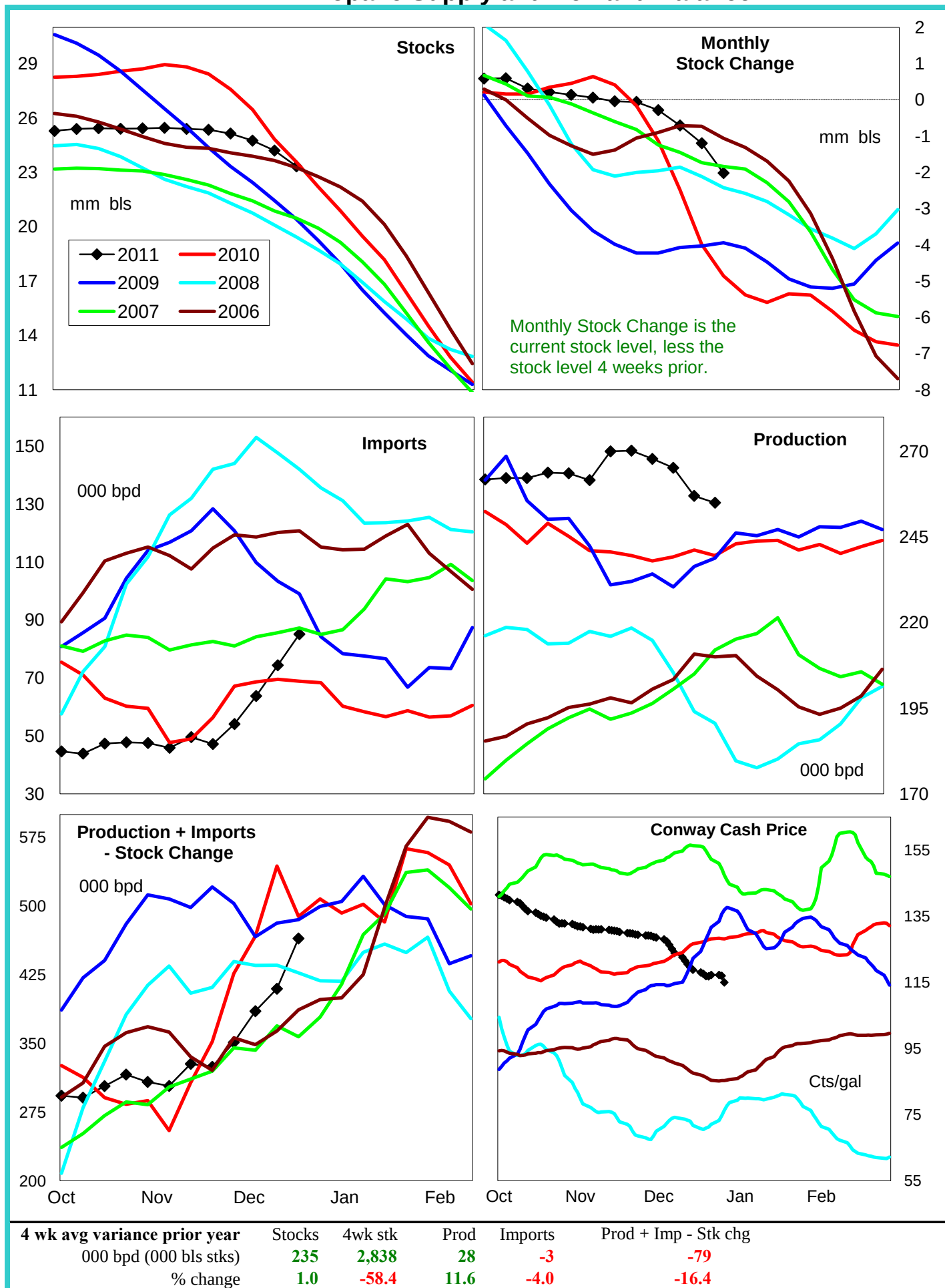
U. S. Propane Supply and Demand Balance



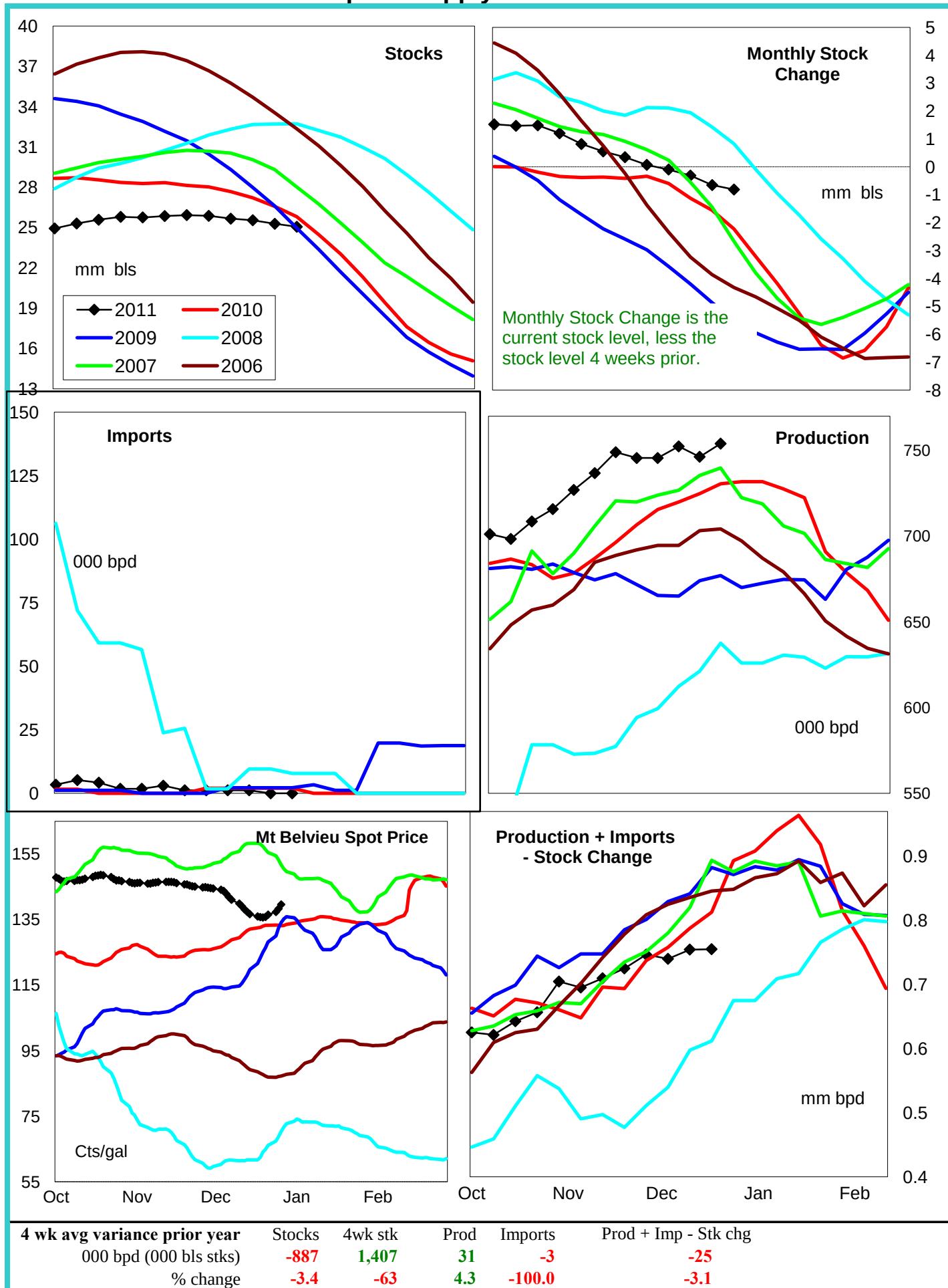
PADD 1 Propane Supply and Demand Balance



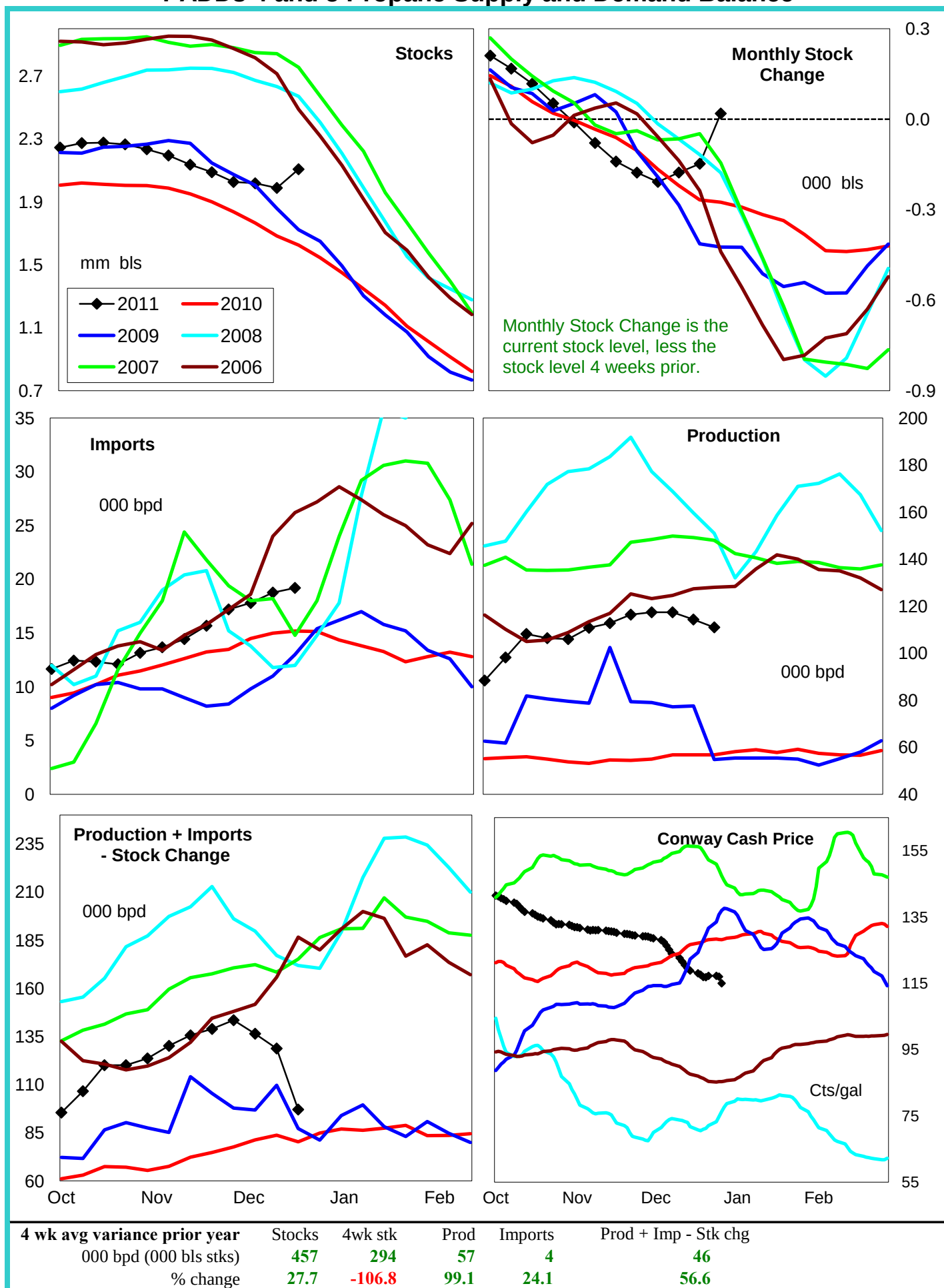
PADD 2 Propane Supply and Demand Balance



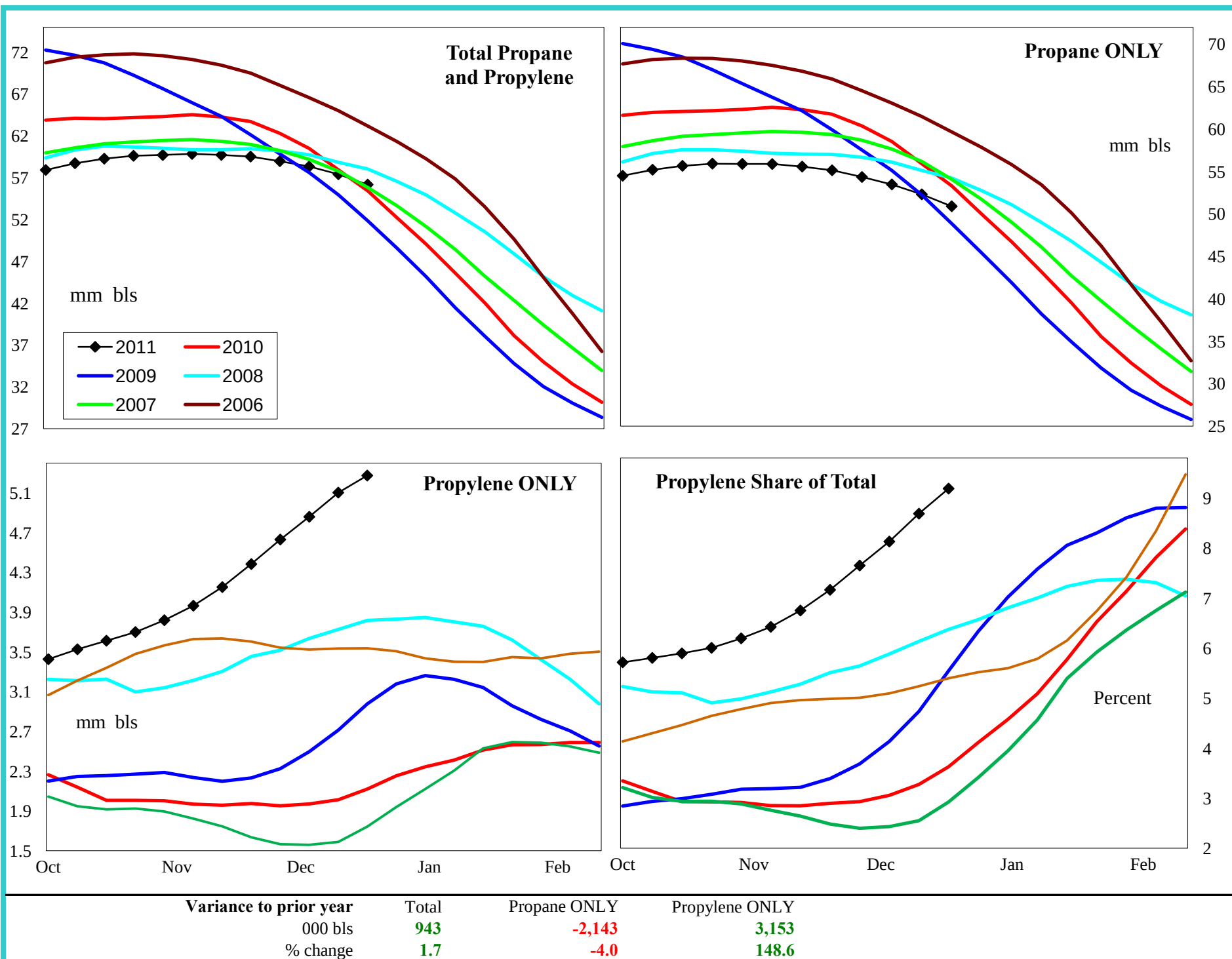
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



U. S. Petroleum Administrative for Defense Districts (PADDs)

